

INSURANCE CLAIMS AND RESERVES FUND

BUDGET OVERVIEW

(\$ In Millions)							
	2005-2006 Budget	2005-2006 Exp. Est.	Over/ (Under)	2007-2008 Budget	Budget to Budget Difference	2-yr % change	1-yr % change
Total Budget	\$2.5	\$1.8	(\$0.8)	\$2.8	\$0.3	12.2%	6.1%
Total FTEs	2.80	2.80	0.00	2.80	0.00	0.0%	0.0%

COST DRIVERS

Salaries and Benefits up \$86K

- Market and merit increases of 4.5% in 2007 and 2008. NOTE: Should not be construed as City's negotiating position.
- Medical premium increases of 13% per year.
- PERS rate increases of 132% between 2006 and 2008, as approved by the State Legislature.

Professional Services down \$79K

- Slight decrease in the budget for insurance premiums to more closely approximate actuals.

Interfund Transfers up \$36K

- New interfund transfer to the Information Technology fund to pay for this fund's portion of technology services.
- New interfund transfer to the Fleet Maintenance fund to pay for the costs of the fleet vehicle assigned to the Risk Management division.

NEW PROGRAMS

No new programs.

INSURANCE CLAIMS AND RESERVES FUND

WHAT DO WE DO?		WHY DO WE DO IT?	HOW MUCH DOES IT COST?		IS IT LEGALLY MANDATED, CORE, OR VALUE ADDED SERVICE?
			2005-2006	2007-2008	
RISK MANAGEMENT			\$2,118,597	\$2,162,464	
Administers the city’s safety and loss control program.	This program directly reduces employee injuries and occupational disease exposures through the operation of citywide safety committees, safety training and safety programs such as drug and alcohol testing and hearing conservation.				Legally mandated by federal and state regulations
Administers the city’s insurance program.	To protect the city from risk exposures to losses, claims and suits. The purpose of this program is to self-insure predictable losses and purchase excess insurance to protect city financial resources against adverse loss.				Core service
Administers the city’s claims and suits.	This program fosters accident reporting, investigation and adjustment of claims made against the city as well as physical damage to city property and recovery for city property damaged by others. It includes city representation at legal mediations.				Core services
Administers or supports the other Risk Management program components such as contract review, the city’s Wellness program, the city’s health insurance program and technical advice to city departments.	These activities and administrative costs support legally mandated training, contract formation, collectively bargained benefits and core value cost controlling and reducing measures (Wellness).				Legally mandated
Ending Fund Balance			\$339,205	\$645,758	
TOTAL RISK MANAGEMENT INSURANCE FUND			\$2,457,802	\$2,808,222	

INSURANCE CLAIMS AND RESERVES FUND

REVENUE SUMMARY BY OBJECT

	2005-2006 Budget	2005-2006 Estimate	Over/ (Under)	2007-2008 Budget	Budget to Budget Difference
Beginning Fund Balance	306,478	306,478	0	660,001	353,523
Payments from other City Funds	2,149,324	2,149,324	0	2,146,221	(3,103)
Investment Interest	2,000	10,831	8,831	2,000	0
Miscellaneous Revenue	0	27,020	27,020	0	0
Total Revenues	2,457,802	2,493,653	35,851	2,808,222	350,420

EXPENDITURE SUMMARY BY OBJECT

	2005-2006 Budget	2005-2006 Estimate	2007-2008 Approved	Budget to Budget Difference
Salaries and Wages				
Salaries	410,394	403,636	452,008	41,614
Salaries Subtotal	410,394	403,636	452,008	41,614
Benefits				
City Retirement	30,171	29,012	32,282	2,111
State Retirement	5,757	8,862	30,104	24,347
Medical	56,775	43,660	74,293	17,518
Workers' Compensation	1,638	1,072	2,252	614
Other	791	774	828	37
Benefits Subtotal	95,132	83,380	139,759	44,627
Salaries and Benefits Subtotal	505,526	487,016	591,767	86,241
Professional Services				
Other Services/Charges	19,853	18,351	20,863	1,010
Insurance Premiums	1,149,998	961,100	1,098,849	(51,149)
Insurance Claims	350,000	310,624	350,000	0
Professional Services Subtotal	1,608,471	1,344,156	1,529,444	(79,027)
Interfund Transfers				
Information Technology	0	0	27,803	27,803
Fleet	0	0	8,672	8,672
I/F Transfers Subtotal	0	0	36,475	36,475
Ending Fund Balance	339,205	0	645,758	306,553
Total Revenues	2,457,802	1,833,652	2,808,222	350,420